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THE STATE PLANNING COMMISSION

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Planning results in a correctly balanced national economy, which provides production programs and determines the necessary volume of producer and consumers' goods, as well as the proper allocation of capital investments and the effective development of all productive forces. Planning eliminates unemployment and crises and thereby improves the social and cultural conditions of the people.

The Supreme Economic Council was established on 21 May 1945, to fill the need for a central organization for economic planning throughout the country. The law provided that besides planning the council had to assume all coordination and control functions, which made it simultaneously a planning and operational organization. This dual activity proved to be detrimental to planning work.

The far-reaching social, political, and economic changes of recent years have produced important alterations in the entire state structure, including the Supreme Economic Council. It will be discontinued and superseded by the DPK (Derzhavna Planovata Komissiya, State Planning Commission), which will undertake a concrete program of economic planning throughout the country. All other functions of the council will be transferred to the Economic and Financial Committee of the Council of Ministers and partly also to the State Control Commission.

The DPK has the following assignments: to draw up over-all and operational national economic plans, to assure the adequate development of the economy in harmony with the policies of the state, and to analyze the plans of the various ministries, community and okoliya people's soviets, and larger administrative units, as well as public organizations not under any jurisdiction. In addition to yearly plans, quarterly plans and indexes will allow a closer examination of the various economic branches to assure their coordination, to enhance their flexibility and maneuverability, and to avoid discrepancies.

The agencies of the DPK and special experts will investigate and survey economic problems, and submit to the government all measures considered to implement

CONFIDENTIAL

- 1 -

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ove. all national plans. Furthermore, seasonal checks and surveys will reveal any difficulties in the fulfillment of the plan and permit prompt corrections. The DPK will also organize a publicity campaign to enlist the people's aid in the fulfillment of the plan.

The DPK includes the Main Statistical Administration. The latter's studies and surveys reveal the necessity of new adjustments, provide indexes, and provide periodic reviews of the economic situation with regard to the plan.

The prospective [i.e., long-range] and operational plans must be passed by the Great National Assembly or approved by the Council of Ministers. The plans then become law, binding for all state organizations, or any others, and private individuals.

The DPK sees to it that ministries and departments do not issue orders contrary to the plan or in violation of any of its provisions, or to impede its fulfillment. Any such instances will be reported to the government for amendment or correction.

The DPK has the right to request all information and data necessary to establish and fulfill its plans, and all state agencies or other organizations are obligated to furnish them.

Every ministry and all enterprises under its jurisdiction, and all community and okoliya people's soviets shall have their planning departments. However, their planning methods and the control over the fulfillment measures of the national plan will rest with the DPK.

The DPK includes the following sections:

Economic Balances

This section prepares and establishes national economic plans reflecting the exact volume of national resources, price policies, and the trends of economic development. The economic balances provide an accurate, proportional distribution of resources. The most important balances concern: fuel, coal, ores, electric power, raw materials, building material, finished consumers' goods, manpower, land, food products, and export-import articles. They establish correct correlation between heavy and light industry and agriculture, and between consumption and accumulation. Furthermore, the balances serve to illustrate that some branches, such as power and coal production and metallurgy, must be developed with more intensity than others.

Financial Balances

This section determines the financing of various branches and the volume of capital investments to be derived from enterprise-owned funds, from the budget, or from credits. It is working on the problem of state finances, community and okoliya finances, money circulation, profits, amortizations, etc.

Over-all Plan, Coordination, and Survey of Business Conditions

This section holds the center of all DPK activities and establishes prospective and operating plans, based on balances and fulfillment quotas of previous plans. It determines the desirable proportion between various branches of the economy and places the latter on a scientific basis. It controls the fulfillment of the plan, eliminates its weaknesses, coordinates related economic branches, and assures adequate material and technical supplies. Defects are corrected by an eventual redistribution of resources and their assignment to more important production branches, a procedure which may determine the ultimate success of the plan.

- 2 -

CONFIDENTIAL

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Manpower and Personnel

This section establishes the contingents of production workers and engineering and technical personnel.

It studies the sources of man-power supply, such as the natural increase of population in cities and villages, and surveys present and future requirements.

National Income

This section computes the nation's income figures jointly with the Main Statistical Administration and other organizations. It establishes the necessary plan for income and its distribution in the light of the political and economic objectives of the national plan. It maintains the correct proportion between national income and the extent of capital construction and provides for the adequate distribution of construction among various economic sectors and social groups.

Production of Producers' Goods

This section establishes plans for the electric power, coal, ore, construction, and machine industries and thereby creates the technical basis for all branches of industry with a view to transforming the country from an agrarian to an industrial state within the shortest possible time.

Production of Consumers' Goods

The object of this section is to study the problem of expanding and rationalizing light industry by increasing labor productivity, reducing cost, etc.

Agriculture and Forestry

This section plans agriculture, livestock husbandry, and forestry. It prepares indexes to provide the right proportion between agriculture and livestock breeding, between the production of grain and of industrial plants, fodder production and livestock husbandry, etc. This section also encompasses the study of the regional distribution of various agricultural production branches according to climatic and economic conditions, agrarian regulations, mechanization of agriculture, and agricultural engineering, as well as the expansion of farm workers' cooperatives, machine-tractor stations, etc.

Transportation and Communication

This section establishes the planned objectives of the country's railroad, automobile, river, sea, and air transportation, and of its postal, telegraph, telephone, and radio communications. It studies the problems of communication pertaining to various economic sectors according to the national interest.

Domestic Trade

This section plans purchasing campaigns, surveys the flow of goods, public nutrition, the tourist-trade hotel industry, etc., and aims to establish a normal and reasonable distribution of goods.

Price and Cost

This section concentrates on a systematic reduction of cost and a simultaneous increase of labor productivity, due to technical progress, economy of materials and power, and the reduction of administrative expenditures. In the immediate postwar period, the problem of reducing cost and prices was of major importance, but gradually the question of increasing the profitability of enterprises attains greater significance, especially in connection with the nationalization of industry.

- 3 -

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Capital Construction and Allocation of Production Centers

This section establishes construction plans, provides for the proper distribution of production centers throughout the country, and delimits the basic economic regions and the necessary relations between them.

On account of the importance of the work assigned to the State Planning Commission, all its personnel, as well as the planning organizations at the various ministries and departments, must be thoroughly conscious of the serious task before them. They must have a perfect knowledge of planning, and perform their duties in the most scrupulous way and with absolute accuracy. All other organizations must collaborate in the fulfillment of the plans.

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- 4 -

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